

# Sector Initiatives: A New Approach to Economic and Workforce Development

## CEWTP Action Clinic

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*Accelerating State Adoption of Sector Strategies*

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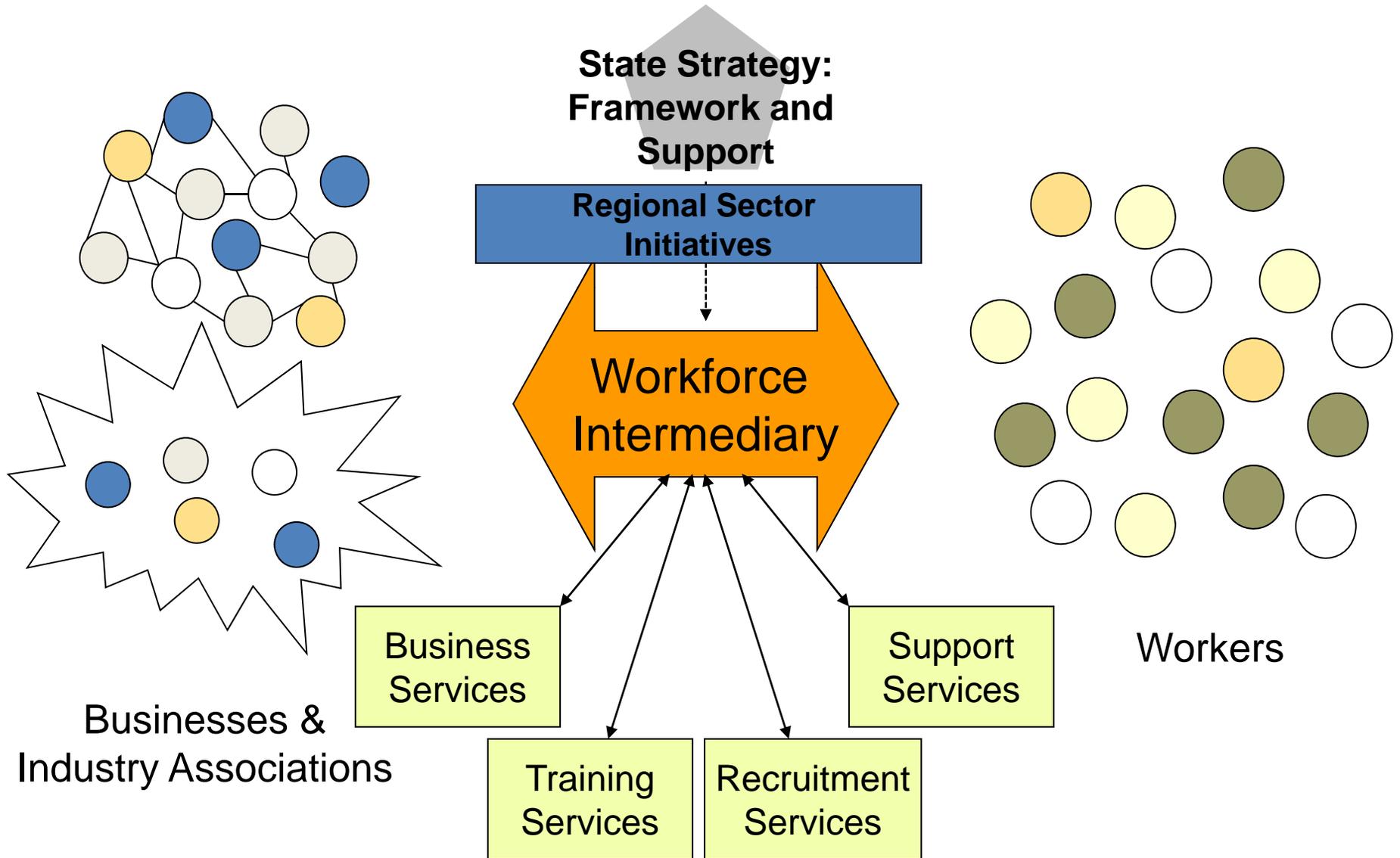
# **What Are Sector Initiatives and How Are They Different?**

# What are sector initiatives?

- Regional, industry-specific approaches to workforce needs implemented by employer-driven partnerships of relevant systems and stakeholders.

[Source: *Accelerating State Adoption of Sector Strategies*, 2008]

# Sector Initiative Model



# What do sector initiatives do?

- Address the needs of **employers** -- by focusing intensively on the workforce needs of a specific industry sector within a region over a sustained period of time, often concentrating on a specific occupation or set of occupations within that industry
- Address the needs of **workers** -- by creating formal career paths to good jobs, reducing barriers to employment, and sustaining or increasing middle class jobs
- Bolster **regional economic competitiveness** -- by engaging economic development experts in workforce issues and aligning education, economic, and workforce development planning
- Engage a **broader array of key stakeholders** -- through partnerships organized by workforce intermediaries
- Promote **systemic change** -- that achieves ongoing benefits for the industry, workers, and community.

# How are sector initiatives different?

- Sector initiatives are considered highly responsive to industry demand when compared to traditional job-matching and training services because they:
  - Are ***problem-oriented***, not program-oriented
    - Identify and address core challenges (root causes)
  - Address needs ***interdependently***, not independently
  - Work with industries ***collectively***, not as individual firms – wholesale, not retail

# How are sector initiatives different?

- Sector initiatives are:
  - ***Employer-driven***, with deep employer engagement
  - Led by a ***workforce intermediary*** with credibility in the industry
  - ***Data-driven*** strategies, responsive to industry, worker, and job seeker needs
  - ***Sustained efforts*** over the long term, not “one-time fixes”

*Not another new project  
or initiative... a new way  
of doing business*

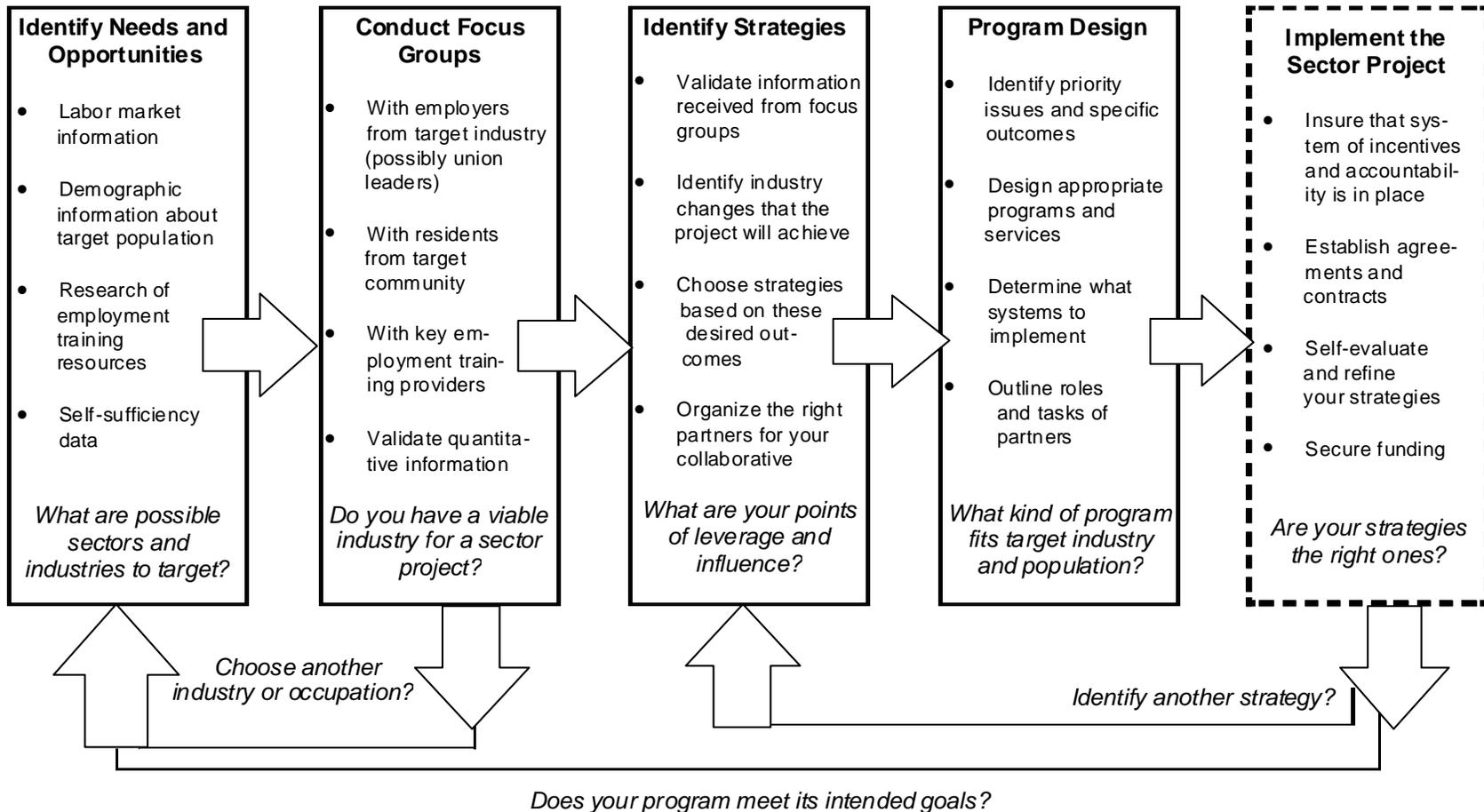
# For Reflection

- How is the sector initiative approach similar to and different from your previous workforce development experiences?
- How will you make sure that the services you provide are responsive to industry and workforce needs?
- How will you adapt quickly to changing needs?
- How will you move from grant to multi-source, sustainable funding?

# **Understanding Industry Sector and Workforce Needs**

# Sector Initiative Research & Design

*Identify partners/stakeholders and build relationships throughout these phases of development*



# What do you need to know?

## ***About industries:***

- Industry concentration and projected job growth
- Occupational distribution and projected openings
- Accessibility:
  - Job skill requirements
  - Other employment requirements
- Wage levels
- Career advancement

# What do you need to know?

## *About employers:*

- Workforce projections
- Hiring or training needs
- Retention and advancement patterns
- Internal HR processes
- Business projections
- Industry associations or networks involved in
- Other business challenges

# What do you need to know?

## ***About workers:***

- Availability and skill levels
- Incumbent workers (in same or different industry) and job-seekers - assets, barriers, and interests
- Demographics: ethnicity, languages, literacy, skill levels and education, age, gender, family size/composition, etc.
- Commuting patterns: mode, distance, time
- Additional information: immigration status, public assistance, criminal convictions, etc.

# What do you need to know?

## ***About education and training:***

- Who provides skill development in the community? In the industry?
- What education and training is currently provided?
- How is training paid for?
- How is curriculum developed?
- What is the track record of adapting quickly to learner needs? To new skill needs?
- What are the barriers to creating, customizing, articulating, or expanding training?

# What do you need to know?

## ***About support services:***

- What services are available, and what might be missing?
- Who provides these services in the community?
- What organizations do employers and workers typically use? How well do they meet needs?
- How are support services paid for?
- What are the challenges for support service providers in working with specific populations or with particular industries or employers?

# Operations Phase

Effective sector initiatives:

- Anticipate employers' needs and meet them
- Hire staff with industry expertise – especially those who have worked in the industry
- Learn everything possible about the industry; keep up to date
- Engage employers in multiple ways
- Adapt to changing circumstances

# Adapting to Demand

If demand for trainees is strong:

- Ask employers for hiring commitments, funds
- Manage flow of trainees to meet demand

If demand for trainees is not strong:

- Revise training to respond to known demand
- Provide internships
- Provide industry-recognized certificates
- Link to next-step training

# Deepening Industry Relationships

Ways to work with employer partners:

- Conceptualize stages of employer involvement
- Work one-on-one with employers as much as possible; ask for referrals to other employers
- Bring together for meetings when they will benefit or when it's necessary
- Ensure that training is responsive to employer (and worker) needs -- “what” and “how”
- Support services – find out what services are needed (before and after hire happens)

# JVS EMPLOYER PARTNERSHIP MODEL

**Objective: To Improve the Caliber of Job Applicants, Increase Employee Skills and Raise Retention through Partnerships with JVS – Resulting in Increased Financial Self-Sufficiency for JVS clients**

	Level I	Level II	Level III	Level IV	Level V
<b>Employer Examples</b>	<ul style="list-style-type: none"> <li>Hyatt Regency</li> <li>Mills Peninsula</li> </ul>	<ul style="list-style-type: none"> <li>Borders</li> <li>Chinese Hospital</li> </ul>	<ul style="list-style-type: none"> <li>Microsoft</li> <li>On Lok Senior Svcs</li> </ul>	<ul style="list-style-type: none"> <li>Safeway</li> <li>Laguna Honda</li> </ul>	<ul style="list-style-type: none"> <li>Wells Fargo</li> <li>Macy's</li> </ul>
<b>Description of Program Engagement</b>	Early stage of relationship. Just establishing a knowledge of JVS programs and services and defining relevance to employer needs.	Some relationship is established. Employer may have participated in one or two events, come for a tour, hired once, etc.	Greater and more regular involvement in JVS programs, collaboration in new program development; JVS is becoming a resource in hiring and training	Strong relationship with JVS; reliance on JVS for training and recruitment; collaboration in program development; JVS incorporates employer feedback re: recruitment practices, etc.	Long-standing relationship with JVS, supporter of JVS clients and programs. Established hiring relationship, consistent input in program design, some financial support.
<b>Examples of Activities</b>	<ul style="list-style-type: none"> <li>Jobs online</li> <li>Hiring JVS candidates</li> </ul>	<p><i>Preceding activities, &amp;</i></p> <ul style="list-style-type: none"> <li>Refer employees/job seekers to JVS services</li> <li>Participate in JVS job fairs</li> <li>Nominate JVS hires for Strictly Business Employee of the Year Award</li> </ul>	<p><i>Preceding activities, &amp;</i></p> <ul style="list-style-type: none"> <li>Speakers/presentations at JVS events</li> <li>Internships or job shadowing</li> <li>Informational &amp; mock Interviews</li> <li>Focus groups</li> <li>Advisory Board</li> </ul>	<p><i>Preceding activities, &amp;</i></p> <ul style="list-style-type: none"> <li>Refer instructors to JVS programs</li> <li>Recruiter presentations to JVS staff</li> <li>Letters of support for grant proposals</li> <li>Clinical rotations</li> </ul>	<p><i>Preceding activities, &amp;</i></p> <ul style="list-style-type: none"> <li>Customized training for specific hard-to-fill positions</li> <li>Retention services and career coaching for new hires and your employees</li> <li>Onsite training for your employees</li> </ul>
<b>Benefit to Employer</b>	<ul style="list-style-type: none"> <li>Increase quality and pipeline of job candidates</li> </ul>	<ul style="list-style-type: none"> <li>Increase community visibility of your organization</li> <li>Refer employees to JVS training programs</li> <li>Strengthen career advancement opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity to pre-screen job candidates</li> <li>Input into new training programs</li> <li>Increased awareness of successful workforce models through Adv. Bd and focus groups</li> </ul>	<ul style="list-style-type: none"> <li>Candidates trained to your specifications</li> <li>Increased JVS responsiveness to recruiter needs</li> <li>More opportunities to observe potential candidates</li> <li>Access to leveraged funding for training</li> </ul>	<ul style="list-style-type: none"> <li>Reduced in-house training cost</li> <li>Improved retention in your facility</li> <li>Ability to provide staff onsite training in needed skills</li> </ul>
<b>Common Benefits</b>	<p><b>Increase quality and pipeline of job candidates</b></p> <p><b>Increase visibility of your organization in the community</b></p>				

# Meeting Other Employer Needs

- Supporting economic development and job creation through partnerships
- Economic development and local officials to address issues with infrastructure, zoning, etc.
- SBDCs, SBA, and financial services institutions to address financing issues
- Consulting on industry new and best practices
- HR and operations support

# Meeting Other Individual Needs

- Asset development
- Government benefits
- Post-employment services:
  - Retention services, peer support
  - Career navigation and counseling
  - Educational assistance

# Systems Change

***Sector initiatives bring about systems change in :***

- Industry practices
- The workforce development system (service providers' activities and/or how they work together)
- Policy

***By bringing about systems change, a sector initiative***

- Overcomes barriers to success faced by employers, individuals, and the sector initiative
- Has broad scale impact (beyond the employers and individuals it provides services to)

# Systems Change – Where to Begin

- Gain deep understanding of barriers to success for individuals, the industries, and your sector initiative.
- Determine which require changes in “business as usual” and are of great concern.
- Develop strategies that use the concern about the barriers as a leverage point to bring about change.

# Industry Practices

## ***Possibilities for systems change in industry:***

- How could hiring practices better include low-income constituencies?
- How could working conditions be improved to benefit workers and employers?
- How could advancement opportunities be developed for low-wage workers?

• Adapted from *Systems Change*, by The Aspen Institute Workforce Strategies Initiative

# Education and Training

## ***Possibilities for systems change in education and training infrastructure:***

- How could access to education (including credit-based and industry-recognized certificate programs) be improved?
- How could new training improve access to quality jobs (e.g. new apprenticeship programs) ?
- How could the workforce development system, including education and training, better meet industry needs?

# Public Policy

## ***Possibilities for systems change in policy:***

- How could regulation of the target industry be changed to encourage high-quality employment opportunities?
- How could public funding support of education and training be increased or improved (e.g. made more flexible)?

• Adapted from *Systems Change*, by The Aspen Institute Workforce Strategies Initiative

# For Reflection

- What are your estimates of hiring demand once trainees are ready for employment?
- What does Next 10 data tell you about demand?
- How can you validate and enrich the data?
- What hiring commitments can industry make?
- If industry demand is less than expected, how will you respond?

# **From Roles and Responsibilities to Evaluating Effectiveness**

# Sector Initiatives: Structure

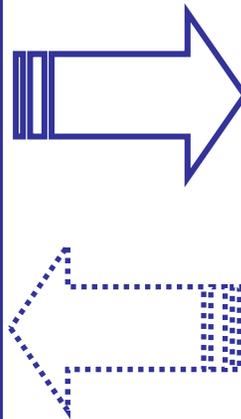
*Focus:*

*An Industry within a Regional Labor Market*

Management by a Workforce Intermediary  
Services Delivered by Partner Organizations

## Design/Development

- Convene partnership
- Conduct research
- Target occupations
- Design services
- Determine new needs
- Obtain start-up resources



## Operations

- Provide programmatic services to workers and employers
- Coordinate activities to produce outcomes
- Obtain resources for sustainability and expansion
- Bring about system change

# Workforce Intermediary Roles

## **Design/Development**

- Convene partnership
- Conduct research
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## **Operations**

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# Workforce Intermediary Roles

- Manage financing of the initiative and coordinate resources
- Manage and monitor the initiative's progress, and ensure that its strategies change in response to new needs and new conditions
- Broker or deliver services
- Stimulate systems change
- Monitor outcomes for industry and workers
- Market the sector initiative; publicize progress

# Success Factors for Intermediaries

- Credibility with and deep knowledge of the industry (and with workers/job seekers as well)
- Willingness to lead, and to be accountable to other stakeholders
- Capacity to fundraise and manage a long-term, multi-source effort; commitment to raise long-term funds and to encourage partners to do so
- Capacity to manage the partner service providers' activities, monitor outcomes, and publicize results
- Capacity to stimulate systems change

# Potential Partner Roles

- Recruitment: candidate screening and matching, assessment, etc.
- Helping to decrease turnover: job retention support, enhanced job matching
- Identifying appropriate training provider
- Supply chain training and linkages
- Student/worker support: case management, child care and transportation assistance, etc.
- Career navigation services
- Tuition assistance

# Success Factors for Partners

If the sector initiative needs other partners than those who assisted with research, design, and development:

- Key characteristics:
  - Agreement with the sector initiative's vision and motivation to achieve it
  - Capacity to contribute to the sector initiatives' programmatic and systems change work

# Other General Success Factors

- Work with multiple employers
- Develop agreements among partners
- Manage the project
- Identify project champions
- Measure and market success
- Think about sustainability from the start

# How are sector initiatives measuring performance?

## **Worker Outcomes**

- Number of job seekers placed
- Wage at placement
- Retention, wage increases, promotions
- Improved working conditions
- Overall effectiveness in meeting worker needs

## **Employer Outcomes**

- Worker retention
- Business efficiency/productivity
- New firms participating
- Overall effectiveness in meeting industry needs

## **Partnership Outcomes**

- Partners engaged
- Formalization
- Sustainability – long-term plan, new funding
- Effectiveness in meeting goals

## **Systems Change Outcomes**

- Job quality improvement
- Career pathways for low-wage workers
- Change in how workers are trained
- Change in how the workforce system links individuals, training, and available jobs
- New public or private funding streams
- Policy change

# Evaluation of Sector Strategies: What We Know Matters to States

## Impact on Jobseekers and Workers

- Increased availability of good jobs
- Improved working conditions
- Expanded work supports
- Increased opportunities for education and training for high-demand occupations
- Increased employment and wage gains

## Impact on Employers and Industry

- Shared costs and risks
- Increased availability of skills training
- Guidance on ways to improve human resource practices
- Reduced turnover

## Effectiveness of the Partnership

- The right partners “at the table”
- Industry challenges identified
- Appropriate solutions designed/implemented
- Plan of action, road map, goals and outcomes
- Partners agree the Partnership is valuable
- New and leveraged funding

## Systems Change

- Changes in how education, workforce, economic development and employers work together
- New social and business supports
- Changes in public policy
- Changes in employer practices

★ *Two Notes:* 1) NGA White Paper and Evaluation Framework offers full detailed discussion on these categories; 2) a 5<sup>th</sup> category of growing interest is “impact on community” (such as reduced poverty/unemployment)

# Is there one formula for evaluation?

## First, can we fairly compare outcomes? *Consider . . .*

- Over 1,000 healthcare service workers trained every year by a metropolitan sector partnership
- About 130 students per year trained and placed in employment by a solar installation sector partnership
- 3 Journeyman apprentices supplied to Grand Coulee Dam as a result of a Power Generation partnership

## Second, do we assume training outcomes? *Consider . . .*

- A small manufacturing sector partnership that focuses on career awareness
- Or an energy partnership that develops skills standards (that can be used to develop training) but that primarily is valuable to align titles and HR selection criteria across employers

*No single formula, but there are templates to capture some consistent data across partnerships.*

# From Washington State

## INDUSTRY SKILL PANEL: DRAFT EVALUATION DASHBOARD

	EMPLOYERS AND INDUSTRY	CURRENT OR PROSPECTIVE EMPLOYEES	EDUCATORS AND THE EDUCATION & TRAINING SYSTEM	EFFECTIVENESS OF SKILL PANEL PARTNERSHIPS
<b>EVIDENCE OF PROGRESS</b> Survey	<p>Employers/Industry representatives agree that the skill panel is meeting (or will meet) skilled workforce needs.</p> <p>Qualitative input, including testimonials, anecdotes, quotes, etc.</p>	<p>Employees/Students agree that the skill panel is helping (or will help) them compete for and hold high quality jobs.</p> <p>Qualitative input, including testimonials, anecdotes, quotes, etc.</p>	<p>Educators agree that the skill panel is helping (or will help) them meet the needs of employers and current &amp; future workers.</p> <p>Qualitative input, including testimonials, anecdotes, quotes, etc.</p>	<p>The skill panel convenes appropriate partners, focuses on key challenges, and implements effective solutions.</p> <p>Qualitative input, including testimonials, anecdotes, quotes, etc.</p>
<b>PRODUCTS AND SERVICES</b> Narrative	<p>All skill panels will provide a narrative description of the outputs and products development and produced during the reporting period. Outputs and products may be in the form of reports, skills gap analyses, asset maps, skill standards, newly developed curricula, marketing strategies and related materials, career awareness efforts (job fairs, summer camps, websites, etc.), number of employees / students enrolled in skill-panel related training and education programs, legislative testimony, strategic plans, project plans, and the like.</p>			
<b>IMPACTS AND OUTCOMES</b> Qualitative Data Collection	<ul style="list-style-type: none"> <li>■ # of quality new hires</li> <li>■ # of promotions</li> <li>■ Reduced vacancy rates</li> <li>■ Reduced rate and cost of turnover</li> <li>■ Employer Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>■ Short-term employment rate</li> <li>■ Long-term employment rate</li> <li>■ Earnings level</li> <li>■ Credential completion rate</li> </ul>	<ul style="list-style-type: none"> <li>■ Increased number of enrollments</li> <li>■ # of industry-recognized credentials awarded</li> <li>■ Increase in # of diplomas, degrees and/or colleges credits earned</li> <li>■ Increased revenue</li> </ul>	<ul style="list-style-type: none"> <li>■ Amount of new and leveraged funding (required data)</li> <li>■ Member renewal rate</li> <li>■ # of new members</li> </ul>

## From Pennsylvania

# PA INDUSTRY PARTNERSHIP ANNUAL REPORT 2008-2009\*

**Overview:** Pennsylvania's Workforce Development system is increasingly focused on promoting Industry Partnerships (IPs), a key institutional innovation for meeting the skills needs of businesses, the career goals of workers and the economic development goals of the commonwealth. To help improve the effectiveness of IPs, the Department of Labor and Industry requires each IP to complete an Annual Report, also known as the High Performance Standards for Industry Partnerships.

Category of Impact	Describe Activity	Impact?
Incumbent Worker Training	e.g. new/revised curriculum or new credentials based on industry needs	
Organizational Effectiveness (of the workplace/business)	e.g. mentorships, management training, career pathways, support services, case management	
Building the Pipeline	e.g. career awareness, job shadowing, internships, outreach to special populations	
Influencing Regional Institutions	e.g. changes by LWIB, one-stops, post-secondary, k-12, business associations, labor orgs, CBOs, econ. dev.	
Governance, Collaboration & Sustainability (of the IP)	e.g. core competencies such as industry analysis, capacity building, planning, coordinating, implementing, self-evaluating their business impact	

*Annual Report also includes requests for 1) testimonials; 2) greatest success; and 3) greatest challenge*

*\*Note: Adapted and condensed from 7-page 08-09 Annual Report Template – PA*

From Massachusetts



# Annual Report August 2009\*

**Purpose:** To provide an opportunity for each project to reflect on its progress toward meeting its goals and share what is learned with Commonwealth Corporation. These reports offer a means to learn more about how projects are unfolding - both at the level of individual projects and across the WCTF initiative.

Category of Performance	Type of Information Requested
Part I: Quarterly Update	Describe activities during last Qtr, successes, innovations, challenges, next steps
Part II: Program Goals (of jobseeker or worker participants)	# participants; # un-/underemployed; # incumbent; # completers; # new credentials; # wage increase; other On Track? Y/N Will reach goal when?
Part III: Outreach, Recruitment and Selection (of participants)	Describe any successes/challenges, changes you plan to make within each area. On scale of 1-5, rate your success with each.
Part IV: Training	How are providers selected? How do they participate? Please provide your assessment of training to date. What changes will you make?
Part V: Participant Supports	What types of supports do your participants need (paid release time, coaching, case management, tutoring, childcare, etc)? Describe challenges and changes.
Part VI: Partnership	List partners, their roles and indicate in which types of activities they participate. Describe benefits for partners, challenges, future partner contributions.
Part VII & VIII: Employer Engagement and Biz Impact	How are employers involved? Is engagement low, medium or high? Using the "Getting Started" plan, what baseline and impact data do you have?
Part IX: Products of Project	Describe progress on contractual deliverables. Describe other products such as new curriculum, new certificate program, new partnerships, others.

\* Note: Adapted and condensed from 10-page WCTF – Annual Report, Round Two, Year 1, August 2009

# Employer Engagement

To help us understand the nature of employer engagement in your project, please complete the following table. For each activity listed, check (✓) the share of employers (all, most, some/a few, none) who engaged in the activity.

- Attend regular partnership meetings
- Provide guidance on the overall direction of the project
- Contribute to financial match
- Participate in on-going strategic planning for sustain-ability
- Recruit Participants
- Screen and select participants
- Participate in training provider selection
- Provide input on training content/ curriculum
- Participate in training provision
- Interview, hire or offer internships to participants
- Other (Please specify):

[Source: WCTF Final Report 2009]

# Systemic Change

Please describe any systemic changes that have occurred as a result of your project. Focus on the three areas described here as appropriate. Your responses may include, but need not be limited to, changes such as the examples provided in each area.

## 1) Education, Training, Social and Business Supports

- new, leveraged and/or redeployed resources that improve service delivery
- changes in practice or policy within educational institutions
- improved responsiveness to employers from public institutions

## 2) Employer Practices

- new HR practices
- new career ladders
- new/leveraged private resources

## 3) Public Policy

- new/leveraged funding from legislature
- industries engage with the public sector to address workforce needs

[Source: WCTF Final Report 2009]

# For Reflection

- What are your next steps for clarifying or developing roles in your partnership?
- How can intermediary and partner roles inform how your partnership gets organized?
- How can role definition and evaluation contribute to sustainability?
- How might you capture the value of sector initiatives that isn't typically reported as a required measure?